

BEFORE THE FEDERAL ELECTION COMMISSION

2015 JUL -8 AM 8:50

Foundation for Accountability and Civic Trust
1717 K. Street, Suite 900
Washington, DC 20006

SENSITIVE

Complainant,

v.

Nancy Rotering
Nancy Rotering for Congress
PO Box 18
Highland Park, IL 60035

MUR # 6948

Respondent.

COMPLAINT

Pursuant to 52 U.S.C. §30109(a)(1), the Foundation for Accountability and Civic Trust (FACT) files this complaint with the Federal Election Commission (FEC or Commission) against Nancy Rotering to determine if the following activities constitute serious violations of the Federal Election Campaign Act of 1971, as amended (Act) and Commission regulations. FACT is a nonprofit organization dedicated to promoting accountability, ethics, and transparency in government and civic arenas. This mission is achieved by hanging a lantern over public officials who put their own interests over the interests of the public good. The information contained in this complaint is based on media reports, public records, and information and belief. Based upon media reports and her own FEC filings, Nancy Rotering received campaign donations in excess of \$5,000 and was a candidate in January 2015, yet she failed to register as a candidate with the FEC until March 2015. During that time, Rotering was bound by the Act's registration and reporting requirements, which do not appear to have been met. The Commission must conduct an immediate and thorough investigation into these practices. See 52 U.S.C. § 30109(a)(2); 11 C.F.R. § 111.4(a).

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Nancy Rotering first accepted a donation for her congressional campaign on January 23, 2015, had raised more than \$5,000 by January 29, 2015, and continued to raise funds for her campaign thereafter. Nancy Rotering for Congress, Report of Receipts & Disbursements, filed with the FEC on Apr. 15, 2015. Under federal law, once an individual raises or spends \$5,000 for her campaign, she is required to register as a candidate. Yet, it was not until March 18, 2015, that Rotering filed her statement of candidacy and designated a principal campaign committee. At the time she announced her candidacy, Rotering reported she would have "about \$400,000 in her campaign war chest," of which about one-half was donated by Rotering. Lynn Sweet, *Highland Park Mayor Nancy Rotering Joins 10th District Race vs. Ex-Rep. Schneider*, Sun Times, March 16, 2015 (attached as exhibit A); *see also* Greg Trotter, *Highland Park Mayor to Run for Congress in 10th District*, Chicago Tribune, March 17, 2015 (attached as exhibit B).

The Federal Election Campaign Act defines a candidate as an individual seeking election to a federal office who makes expenditures or receives contributions in excess of \$5,000. 52 U.S.C. § 30101. There is, however, an exception to this rule that permits candidates to delay registering as a candidate if she only conducts "testing the waters" activities. 11 C.F.R. § 100.72. Testing the waters activities are activities that assist the candidate in determining whether there is sufficient support for her candidacy such that a campaign is feasible, i.e. conducting a poll. *Id.* Once a candidate engaged in activities that are "relevant to conducting a campaign," the testing the waters exception is no longer applicable. *Id.*

. . . . Examples of activities that indicate that an individual has decided to become a candidate include, but are not limited to:

- (1) The individual uses general public political advertising to publicize his or her intention to campaign for Federal office.
- (2) **The individual raises funds in excess of what could reasonably be expected to be used for exploratory activities or undertakes activities designed to amass campaign funds that would be spent after he or she becomes a candidate.**

(3) The individual makes or authorizes written or oral statements that refer to him or her as a candidate for a particular office.

(4) The individual conducts activities in close proximity to the election or over a protracted period of time.

(5) The individual has taken action to qualify for the ballot under State law.

Id. (emphasis added). Once an individual is a candidate, the individual must register with the FEC and designate a principal campaign committee, which then must file reports of receipts and disbursements. 52 U.S.C. § 30102-30104.

The news reports above and Rotering's FEC filings identify behavior that appears to be contrary to the Federal Election Campaign Act. A candidate cannot claim to be testing the waters and delay filing as a candidate to simply fundraise. See 11 C.F.R. § 100.72. Yet it appears that is what occurred here. Rotering was a candidate and should have registered with the FEC once she received or spent in excess of \$5,000—not when she choose to publically declare her candidacy. See 52. U.S.C. § 30101. After receiving contributions in excess of \$5,000, Rotering failed to register as a candidate, spent comparatively small amounts on activities other than fundraising, and continued to amass campaign funds so that when she declared her candidacy, Rotering would have "\$400,000 in her campaign war chest." Lynn Sweet, *Highland Park Mayor Nancy Rotering Joins 10th District Race vs. Ex-Rep. Schneider*, Sun Times, March 16, 2015 (attached as exhibit A); see Nancy Rotering for Congress, Report of Receipts & Disbursements, filed with the FEC on Apr. 15, 2015.

An individual cannot conduct campaign activities and raise substantial campaign funds, while simply denying she is a candidate in an attempt to avoid following the law. "If potential candidates amass significant funds to support their campaign or conduct activities over a lengthy period of time, they are candidates. Simply denying one's candidacy does not provide license to

ignore the rules.” Ann M. Ravel, *Delaying Your Candidacy Doesn't Mean You Can Avoid Campaign Finance Rules*, The Washington Post, March 31, 2015. If this were permitted, candidates would ultimately choose when the law applied to them, and citizens would be denied information to which they are entitled.

Based upon the media reports and her own FEC filings, Rotering was a candidate in January 2015, but failed to register as such and continued fundraising for her campaign. Thus, there is reason to believe Rotering has not complied with the candidate registration and reporting requirements. This type of behavior is directly contrary to the Federal Elections Campaign Act, and prevents the public from obtaining information it deserves and holding candidates accountable. For the reasons discussed in this complaint, the Commission should conduct an immediate and thorough investigation into these allegations. If it should find violations of the Act, the Commission must then hold the Respondent accountable.


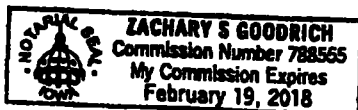
Respectfully submitted,



Matthew G. Whitaker, Executive Director
Foundation for Accountability & Civic Trust
1717 K Street NW, Suite 900
Washington DC 20006

STATE OF IOWA)
) ss.
COUNTY OF POLK)

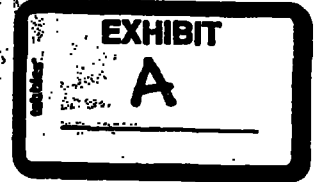
Subscribed and sworn to me before this on June 15, 2015.


Notary Public in and for the State of Iowa

WASHINGTON — Highland Park Mayor Nancy Rotering is jumping in the 10th Congressional District race for Congress, triggering a major 2016 Democratic primary brawl with former Rep. Brad Schneider, D-Ill.

"I'm definitely running," Rotering told me in a phone interview on Monday.

OPINION



Last week, I reported that Schneider is gearing up to win back the north suburban seat he lost to Rep. Bob Dold, R-Ill., in 2014 after serving one term.

Rotering, elected Highland Park Mayor in 2011 — the first woman to hold the spot — is running unopposed for a second term in the April 7 municipal election.

Looking ahead to her congressional bid, Rotering said, "I believe that people will be excited when a woman runs."

Raised mainly in Highland Park, Rotering, 53, has an undergrad degree in economics from Stanford, an MBA from Northwestern and a law degree from the University of Chicago. She worked at General Motors and was an attorney at McDermott Will & Emery, leaving the firm to raise four sons. Her husband, Rob, is an executive at Northlight, a financial services firm.

Schneider, 53, of Deerfield, has been mustering supporters for his 2016 run. Rep. Jan Schakowsky, D-Ill., told me she has been encouraging Schneider to try again.

Schakowsky represents the neighboring 9th Congressional District and is a very influential voice among 10th District donors and activists.

Also, operatives in the Democratic Campaign Congressional Committee — the House Democratic political shop — have been promoting Schneider over Rotering.

"This race should not be about Washington friends of Brad," Rotering told me. "You know, he's a nice enough guy but it really should be what the voters within the 10th District are feeling and we've had a great number of conversations over the past few months over what's on their minds."

Rotering has a list of backers she is rolling out: David Hoffman, the former City of Chicago inspector general and federal prosecutor who lost a Democratic Senate primary bid in 2010; and two former 10th District contenders, Dan Seals and former state Rep. Julie Hamos.

Hamos, who was the director of the Illinois Department of Healthcare and Family Services under former Gov. Pat Quinn, lost the 2010 Democratic House primary to Seals.

Seals went on to be defeated by Dold, then making his first run for Congress.

The Democratic primary will likely be expensive and use up Democratic money that could be aimed at Dold in the general election. Rotering told me she will launch her House bid with about \$400,000 in her campaign war chest; she contributed about half of that amount.

Rotering faces a steep climb in taking on Schneider.

The Schneider campaign on Monday shared with me some highlights from a survey done for Schneider by Normington, Petts and Associates, his pollster.

When it comes to name ID, Schneider is at 88 percent, compared with Rotering at 25 percent. In a head-to-head, Schneider overwhelms Rotering at 56 percent to 12 percent.

Among the Democrats most likely to vote in a primary, Schneider gets 60 percent. The survey was of 430 likely Democratic voters in the 10th, conducted on March 11-12, with a margin of error of 4.7 percentage points. I did not see the entire poll.

Dold, 45, a Kenilworth resident, has no GOP primary challenger lurking so he can conserve his campaign cash.

In 2014, Schneider did not face a Democratic primary. In 2012, he beat back a primary challenge from several rivals, including Ilya Sheyman, who ran to the left of Schneider and is now the executive director of the progressive group MoveOn.org

Highland Park mayor to run for Congress in 10th District

By Greg Trotter
Chicago Tribune

MARCH 17, 2015, 7:41 PM



Nancy Rotering, a Democrat and mayor of Highland Park, announced Tuesday that she's running for Congress to represent the north suburban 10th Congressional District.

Rotering's announcement sets up a Democratic primary race against former Rep. Brad Schneider and adds intrigue to a high-profile House race next year. In November, Schneider lost to Rep. Bob Dold, 45, a Kenilworth Republican. In 2012, it was Schneider who ousted Dold from office. On Tuesday, Schneider told the Tribune that he would be running again.

Rotering, 53, an attorney, has served as Highland Park's mayor since 2011 and is also a mother of four sons. In an interview Tuesday, she said her experiences as mayor, combined with her business and law background, have excited some voters for her candidacy.

"It seems there's a hunger for new leadership in the district," Rotering said.

Rotering's bid for Congress sparked various reactions Tuesday.

Danielle Hagen, spokeswoman for the Dold campaign, issued a strongly worded statement touting Dold's efforts "to grow our economy, fix our immigration system and protect women's choices in healthcare" while also slamming Rotering and Schneider.

Hagen said "voters are about to see just how out of touch Brad Schneider and Nancy Rotering are as they launch their hyper-partisan campaigns fueled by nothing but hollow rhetoric and desperate political ambition."

Rotering fired back Tuesday.

"(Dold) is not the moderate voice he's portrayed himself to be," Rotering said. "He hasn't been honest with the voters. We're not going to change the gridlock in Washington by reelecting the same people."

Schneider, 53, of Deerfield, hasn't yet officially announced his candidacy but said he expects to do so within the next couple of weeks.

"I am running again because there's too much to do and the stakes are too high to simply walk away," Schneider said Tuesday.

Schneider's campaign offered selected highlights of recent polling data Tuesday that show he holds a sizable advantage over Rotering in a primary election. The poll, conducted by Normington, Petts and Associates, shows that Schneider led Rotering by more than 40 percentage points.

"My focus is really on the election in November," Schneider said.

Rotering dismissed Schneider's poll as a tactic to "intimidate newcomers."

"The election is not about polling numbers today," she said. "It's about giving voters a choice."

And Rotering thinks 10th District voters will respond to a woman who has proved herself in elected office, albeit on a smaller stage than Congress. As mayor of Highland Park, Rotering said, she oversaw a balanced budget, increased resources for infrastructure and ramped up social services, such as a free legal aid clinic focusing on the needs of the town's underserved Latino population.

In her announcement, Rotering touched on some of the issues that arose in the last election, saying she'd be "a consistent advocate for a woman's right to choose, for accessibility to quality health care and a staunch defender of Israel, our only democratic ally in the Middle East."

She also listed the endorsements of David Hoffman, former Chicago inspector general and federal prosecutor; Dan Seals, former candidate for the 10th Congressional District; and Julie Hamos, former state representative.

Rotering will likely face a strong primary opponent in Schneider, who lost to Dold by about 3.2 percentage points in the Lake County official results.

Outside money poured into that closely watched race. Schneider was backed by the Democratic Congressional Campaign Committee and the House political action committee; Dold had the support of the U.S. Chamber of Commerce and the National Republican Congressional Committee.

Rotering said she's already begun fundraising and has followed federal guidelines, despite claims made Tuesday by the Illinois Republican Party that she violated federal law by not filing as a candidate first.

"I'll have the necessary resources to express my vision to the district," Rotering said.

Rotering is running unopposed for another term as mayor April 7.

gtrotter@tribpub.com

Twitter @NorthShoreTrib

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